

The Montana Board of Horse Racing was hoping for this big revenue to keep the horse racing industry alive in the state. To date, they've pulled in approximately \$11,250 in retailer license fees and \$10,500 in MSA wager revenue, totaling \$21,750. Unless jockey insurance drops dramatically and horsemen like race purses around \$100, I don't think they are going to get the money they need.

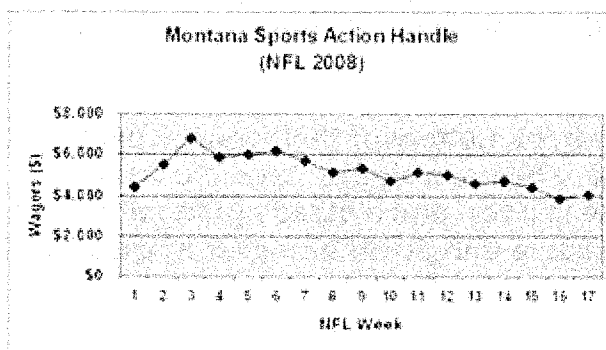
Montana Board of Horse Racing? NOT making money on Montana Sports Action.

So, of all the entities involved in a GAMBLING game, only the stats supplier seems to have a valid profit on Montana Sports Action.

But what if the Montana Lottery's motivation was not really to push the fantasy sports game but really to push lottery ticket sales? We'll examine that possibility in an upcoming post.

**Tuesday, December 30, 2008**

## **Question: How Do You Spell Failure? Answer: Montana Sports Action**



The NFL regular season is over, and so is the first NFL season for Montana Sports Action. The weekly handle is shown in the chart above. It doesn't look very pretty. Problems with this game have been discussed in previous posts. You can read those posts [here](#) and [here](#).

For the entire season, Montana Sports Action didn't even generate \$100,000 in handle. The estimate, based on prize amounts, is approximately \$87,510. If you read the hype regarding the revenue potential of this game, it should have been generating \$87 thousand per week in wagers. Not even close. The results are so poor, that it is likely that the total amount held back for horse racing, the lottery and the retailers wasn't even enough to offset the costs of the fantasy sports statistics feed. However the cost of the statistics feed can not be covered by the fees to the retailers, or by the fees given to the Board of Horse Racing, so the network operator (Lottery) has to cover an approximate \$20,000 charge with their gross revenue of about \$5,250.

There is nothing positive with these results. Even the trend is in the wrong direction. If handle was low, but steadily increasing, you could make the claim that the future looks brighter. Not with Montana Sports Action. The trend is downward, with lower handle as the season progressed.

The total revenue amounts to the various entities after paying prizes are approximately:

Montana Board of Horse Racing (MBOHR) - \$14,000

Montana Lottery - \$5,250

Retailers - \$3,500

Assuming 150 retailers, each one generated on average a whopping \$23 in commissions - \$1.37 per week.

As stated in a previous post, probably only the statistics supplier made money on this game.

On a related topic discussed in a previous post, if this game is truly a lottery game, and not a pari-mutuel game, as the Lottery seems to be moving their positioning toward, why pay MBOHR any money? If the game is a lottery game, that game would be outside the purview of HB 616; therefore no need to pay MBOHR. Quoting Forrest Gump, "stupid is as stupid does."

Keeping with the topic of stupidity, the Montana Lottery is looking to launch a similar game for the NASCAR racing season. Recent research from the Fantasy Sports Trade Association estimated that there were about 4 times as many fantasy NFL participants as fantasy NASCAR participants. Given the poor results of the NFL game, which by far is the most popular fantasy sport, it is fair to estimate that the NASCAR game will generate about 1/4 the handle. Even Forrest Gump would be scratching his head at that.

Given this assumption, and the assumption that the Montana Lottery or their vendor partner isn't bright enough to make sufficient changes to the core game, a similar handle chart is expected. Some initial interest, realization that the game is poor, and a steady gradual decline in handle. Albert Einstein defined insanity as doing the same thing over and over again and expecting different results.

There are rumors of legislation that will be proposed in the new year to put an end to this insanity. Let's see if the Montana Legislature has more sense than the Montana Lottery and the Montana Board of Horse Racing. Time will tell.